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10 Proposed Counsel for Debtor and Debtor-in-Possession
11 Mr. Tortilla, Inc.

FILED & ENTERED

MAR 20 2024

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY Cetulio DEPUTY CLERK

8 UNITED STATES BANKRUPTCY COURT
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10 CENTRAL DISTRICT OF CALIFORNIA
11

12 SAN FERNANDO VALLEY DIVISION
13

14 In re: } CASE NO.: 1:24-bk-10228-VK
15 Mr. Tortilla, Inc., } Chapter 11
16 Debtor and Debtor-in-Possession. } **ORDER GRANTING DEBTOR'S
17 MOTION FOR AN ORDER
18 AUTHORIZING DEBTOR TO SATISFY
19 PRE-PETITION CLAIMS OF CRITICAL
20 VENDOR AMAZON.COM SERVICES,
21 LLC NECESSARY FOR DEBTOR'S
22 CONTINUED BUSINESS OPERATION**
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On March 7, 2024 at 2:30 p.m. in Courtroom 301 of the above-entitled Court, with
the Honorable Victoria S. Kaufman, Judge presiding, Debtor-In-Possession, Mr. Tortilla,
Inc's (the "Debtor") Motion for Order Authorizing Debtor to Satisfy Pre-Petition Claims

1 of Critical Vendor Amazon.com Services, LLC Necessary for Debtor's Continued
2 Business Operation (the "Critical Vendor Motion") [Docket No. 46] came on for hearing.
3 Appearances were stated on the record.

4 The Court having read and considered the Critical Vendor Motion, U.S. Trustee's
5 Limited Objection to the Critical Vendor Motion [docket no.: 66], finding that notice and
6 service of the Critical Vendor Motion was proper and good cause appearing therefor,

7 **IT IS HEREBY ORDERED THAT:**

8 1. The Critical Vendor Motion is **GRANTED**.

9 2. Debtor is authorized, pursuant to 11 U.S.C. §§ 105(a) and 363(b)

10 of the Bankruptcy Code, to pay the pre-petition claims of Amazon.com Services LLC
11 ("Amazon") as identified in the Critical Vendor Motion on the terms and in the manner
12 provided for in the Critical Vendor Motion and this Order. More specifically, Amazon
13 may deduct from sales proceeds in the seller account amounts necessary to satisfy the
14 prepetition fees and expenses in the approximate amount of Five Thousand Dollars
15 (\$5,000) from the Canadian channel account, may deduct the sum of One Thousand
16 Dollars (\$1,000) per month from the US channel account to apply to prepetition fees and
17 expenses for that account, and may deduct from payments on pre-petition invoices under
18 the Vendor account, amounts necessary to satisfy the prepetition fees and expenses in the
19 approximate amount of Twenty Three Thousand Dollars (\$23,000) relating to the vendor
20 account (collectively the "Prepetition Claims").

22 3. Payments of the Prepetition Claims are conditioned on Amazon lifting the
23 reserve on the seller accounts and vendor account and resuming performance under the
24 Business Solutions Agreement and Vendor Terms and Conditions.

25 4. The Debtor shall maintain a matrix tracking the amount and date of
26 payments made to Amazon on account of the Prepetition Claims that is to be submitted as
27 part of the Debtor's monthly operating report.

1 5. Amazon and the Debtor are authorized to continue to perform under the
2 terms of the Vendor Terms and Conditions (the “Vendor Contract”) in the ordinary
3 course, and Amazon is further authorized to deduct from future payments to the Debtor
4 credits, fees, expenses, and other charges (whether or not related to prepetition or post-
5 petition sales) from the Debtor’s payments on invoices and remit, to the Debtor, the
6 Debtor’s net invoice amounts.

7 6. Amazon and the Debtor are authorized to continue to perform under the
8 terms of the Business Solutions Agreement (the “BSA”) in the ordinary course, and
9 Amazon is further authorized to continue netting fees, expenses, and other charges
10 (whether or not related to prepetition or post-petition sales) from the Debtor’s Amazon
11 Store sales proceeds in the Amazon seller account and remit net proceeds to the Debtor.
12

13 7. The automatic stay under Bankruptcy Code Section 362(a) is hereby
14 modified as necessary to effectuate all of the terms and provisions of this Order.

15
16 APPROVED BY:

17
18
19 PETER C. ANDERSON
20 UNITED STATES TRUSTEE
21 Eryk R. Escobar,
22 Assistant United States Trustee

23
24

25 Katherine C. Bunker
26 Trial Attorney

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28 E. MARTIN ESTRADA
29 United States Attorney

1 DAVID M. HARRIS
2 Assistant United States Attorney
3 Chief, Civil Division
4 JOANNE S. OSINOFF
5 Assistant United States Attorney
6 Chief, Complex and Defensive Litigation
7 Section
8

9 Date: January ___, 2024

10 By: _____
11

12 ELAN S. LEVEY
13 Assistant United States Attorney
14 Attorneys for U.S. Small Business
15 Administration
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17 K&L GATES LLP
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19 Brandy A. Sargent
20 Counsel for Amazon Capital Services, Inc.
21 And Amazon.com Services LLC
22

23 CORRIGAN & MORRIS LLP
24

25 Brian T. Corrigan
26 Counsel for Secured Creditors
27 Sand Park Capital, LLC and
28 Cedar Advance, LLC
29

30 ####
31

32 Date: March 20, 2024
33

34 
35 Victoria S. Kaufman
36 United States Bankruptcy Judge
37

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 United States Attorney

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3 Chief, Civil Division
4 JOANNE S. OSINOFF
5 Assistant United States Attorney
6 Chief, Complex and Defensive Litigation
7 Section

8 By: _____
9 ELAN S. LEVEY
10 Assistant United States Attorney
11 Attorneys for U.S. Small Business
12 Administration

13 Date: March 19, 2024

14 K&L GATES LLP

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16 Brandy A. Sargent
17 Counsel for Amazon Capital Services, Inc.
18 And Amazon.com Services LLC

19 CORRIGAN & MORRIS LLP

20 Brian T. Corrigan
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3 Chief, Civil Division
4 JOANNE S. OSINOFF
5 Assistant United States Attorney
6 Chief, Complex and Defensive Litigation
7 Section

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9
10 Date: March 19, 2024

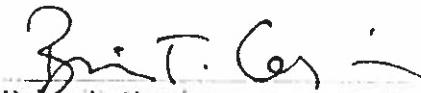
11 By: _____

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25 Cedar Advance, LLC

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28 ####

Sofya Davtyan

From: Levey, Elan (USACAC) <Elan.Levey@usdoj.gov>
Sent: Tuesday, March 19, 2024 4:14 PM
To: Sofya Davtyan; Brian Corrigan; Gearin, Mike; Sargent, Brandy A.; Bunker, Kate (USTP)
Cc: Michael Berger; Yathida Nipha
Subject: RE: Mr. Tortilla - Proposed Cash Collateral Order

I did not object and do not need to sign off.

Elan S. Levey | Assistant United States Attorney

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300 N. Los Angeles Street | Fed. Bldg., Rm. 7516 | Los Angeles, CA 90012
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From: Sofya Davtyan <Sofya.Davtyan@bankruptcypower.com>
Sent: Tuesday, March 19, 2024 2:15 PM
To: Brian Corrigan <bcorrigan@cormorllp.com>; Gearin, Mike <Mike.Gearin@klgates.com>; Sargent, Brandy A. <Brandy.Sargent@klgates.com>; Levey, Elan (USACAC) <elevey@usa.doj.gov>; Bunker, Kate (USTP) <Kate.Bunker@usdoj.gov>
Cc: Michael Berger <Michael.Berger@bankruptcypower.com>; Yathida Nipha <Yathida.Nipha@bankruptcypower.com>
Subject: [EXTERNAL] RE: Mr. Tortilla - Proposed Cash Collateral Order

Attached please find the final proposed order on the critical vendor motion. Please return your signatures so that we can upload the order. Thank you.

Sofya Davtyan, Esq.

Partner

Certified Specialist in Bankruptcy Law

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